

**Page Denied**

## DISSEMINATION CONTROL ABBREVIATIONS

NOFORN-	Not Releasable to Foreign Nationals
NOCONTRACT-	Not Releasable to Contractors or Contractor/Consultants
PROPIN-	Caution-Proprietary Information Involved
ORCON-	Dissemination and Extraction of Information Controlled by Originator
REL . . . -	This Information has been Authorized for Release to . . .

JUL 12 1983

MEMORANDUM FOR: Director of Central Intelligence  
VIA: Deputy Director of Central Intelligence  
25X1 FROM:   
Director, Intelligence Community Staff  
SUBJECT: Memoranda to Program Managers Concerning Control of Cost  
Growth and Elimination of Lower-Priority Tasks (C)

1. Action Requested: That you sign the attached memoranda to Program Managers. (U)

2. Background: The House Permanent Select Committee on Intelligence (HPSCI) expressed concern in their classified annex to the Authorization Report that NFIP Managers have not complied with the HPSCI request to scrutinize existing programs and new initiatives, and identify lower-priority tasks which should be reduced or eliminated. In addition, you asked that we examine ways to eliminate inefficiencies, waste, and abuse in the Intelligence Community along the lines being proposed by the presidential task force chaired by J. Peter Grace. (C)

The fiscal pressures that we are likely to face will require a firm cost control program. If we are to have funds to pursue needed new initiatives, ongoing programs will need close review and a concerted effort to avoid overruns and delays which lead to higher costs. The attached letters from you to the Program Managers emphasize the need to control costs and/or take early corrective action to ensure proper development and management of our programs. (U)

We are reviewing the Program Managers' appeals of manpower reductions proposed by the House. Our appeal to the Authorization Conference Committee will highlight examples where higher-priority manpower needs have been met by tradeoffs from lower-priority tasks being reduced or eliminated. Our appeal will also explain and justify the additional manpower requirements which add to, but do not replace, existing priority efforts. The rebuilding of intelligence capabilities has required substantial augmentation of manpower and the HPSCI concern is understandable. For example, total NFIP manpower

SUBJECT: Memorandum to Program Managers Concerning Control of Cost  
Growth and Elimination of Lower-Priority Tasks (C)

25X1 increased [ ] in FY 1983, and our FY 1984 request is for a further  
25X1 increase [ ] The total request of [ ] positions compares  
favorably with the higher levels of the 1970s, but given the climate of  
reduced federal employment, faces some obstacles. When we complete our  
manpower positions appeal in the next two weeks, we will provide you with a  
rationale for most of the requested increases. Meanwhile, it is prudent to  
send memoranda to the Program Managers, seek ways to control costs for a  
variety of program and administrative areas, and to solicit better  
justification for manpower needs. The Program and Budget Staff will follow up  
on these actions during our review and development of the upcoming budget.  
(S)

3. Recommendation: Please sign the attached memoranda. (U)

25X1

Attachments: to Program Managers

Memo to DIA (DCI/ICS 83-3604)  
Memo to NSA (DCI/ICS 83-3605)  
Memo to NRP (BYE 3224-83)  
Memo to CIAP (DCI/ICS 83-3606)  
Memo to DNI (DCI/ICS 83-3607)  
Memo to DoD/FCI (DCI/ICS 83-3608)  
Memo to State Dept. (DCI/ICS 83-3609)  
Memo to FBI (DCI/ICS 83-3610)  
Memo to Energy Dept. (DCI/ICS 83-3611)  
Memo to Treas. Dept. (DCI/ICS 83-3612)  
Memo to IC Staff (DCI/ICS 83-3613)  
Memo to NIESO (DCI/ICS 83-3614)

SUBJECT: Memoranda to Program Managers Concerning Control of Cost  
Growth and Elimination of Lower-Priority Tasks (C)

25X1 DCI/ICS/PBS, [ ] 7/11/83)

Distribution:

Copy 1 - Addressee, w/atts. for sign., DCI

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Copy 11 - PBS chrono

Copy (12) - ICS Registry

25X1

The Director of Central Intelligence

Washington, D.C. 20505

12 July 1983

MEMORANDUM FOR: Lieutenant General James A. Williams, U.S. Army  
Director, Defense Intelligence Agency

SUBJECT: Review of Program for Control of Cost Growth and  
Elimination of Lower-Priority Tasks (C)

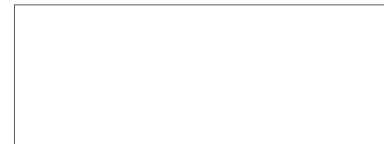
1. Congressional support of our mutual efforts to improve our foreign intelligence capabilities is critical to our continued success. This support has been excellent in recent years, but it is evident that we must do a better job in explaining how we identify and reduce or eliminate lower-priority tasks in order to pursue critical new initiatives. (U)

2. The funding outlook requires that we carefully manage both ongoing and new programs to ensure that we avoid cost overruns, price escalations, and program slippages. Negotiation and monitoring of the contracts necessary to carry out the diverse elements of the General Defense Intelligence Program (GDIP) require top-level review. The Capabilities Programming and Budgeting (CPB) System provides some mechanisms to detect cost increases and performance problems; however, you should advise me of any emerging difficulties as early as possible, to permit a Community-wide effort to remedy any collection, processing, and analytical problems. (C)

3. The House Permanent Select Committee on Intelligence (HPSCI), in the classified report for the FY 1984 authorization, urges that we slow manpower growth by establishing a comprehensive program evaluation process to scrutinize programs in order to reduce lower-priority efforts. It appears to me that proper manpower tradeoffs have been made and that real growth is needed for essential new efforts. In view of continuing HPSCI concerns, however, you should examine GDIP manpower needs for FY 1984 and FY 1985 and work with the Intelligence Community Staff (ICS) in identifying tradeoffs, documenting the impact of these reductions for lower-priority efforts, and identifying and justifying any necessary personnel increases. (C)

4. Another area requiring top-level management attention in the Intelligence Community is the elimination of inefficiency, waste, and abuse. The protection of intelligence sources and methods requires that many of our activities be exempt from outside review. Accordingly, it is necessary that

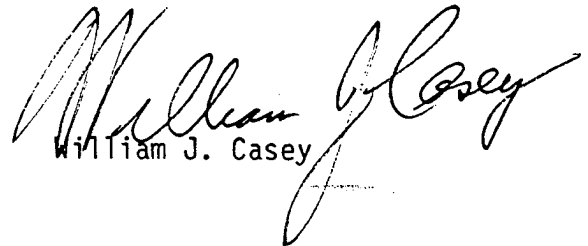
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SUBJECT: Review of Program for Control of Cost Growth and Elimination  
of Lower-Priority Tasks (C)

our internal review and management oversight be especially vigorous. A presidential task force, headed by Peter Grace, is examining ways to control costs and reduce federal spending. Although security requirements for sensitive intelligence operations preclude public examination, we must examine areas identified in efforts such as the Grace group to adapt economies to our activities where it is safe and profitable to do so. Travel approval, ADP controls, property utilization, and utilization of research and development are areas worthy of self-examination. Program Managers should be pursuing economy and efficiency objectives within departmental and agency procedures. The Intelligence Community Staff is charged with working with your staff in identifying steps that you are taking to ensure that Intelligence Community efforts in these areas are second to none in government. The continued availability of some unique intelligence arrangements depend upon our wise and judicious use of NFIP resources. (C)

  
William J. Casey

CONFIDENTIAL

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DCI/ICS 83-3604

SUBJECT: Review of Program for Control of Cost Growth and  
Elimination of Lower-Priority Tasks (C)

25X1 DCI/ICS/PBS, [REDACTED] 7/11/83)

Distribution:

Orig. - Addressee, DIA, LTG Williams

1 - DCI

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25X1 1 - PBS subj. [REDACTED]

1 - PBS (GDIP Prog.Monitor)

1 - PBS chrono

① - ICS Registry

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The Director of Central Intelligence

Washington, D. C. 20505

12 July 1983

MEMORANDUM FOR: Lieutenant General Lincoln D. Faurer, USAF  
Director, National Security Agency/Chief, Central  
Security Service

SUBJECT: Review of Program for Control of Cost Growth and  
Elimination of Lower-Priority Tasks (C)

1. Congressional support of our mutual efforts to improve our foreign intelligence capabilities is critical to our continued success. This support has been excellent in recent years, but it is evident that we must do a better job in explaining how we identify and reduce or eliminate lower-priority tasks in order to pursue critical new initiatives. (U)

2. The funding outlook requires that we carefully manage both ongoing and new programs to ensure that we avoid cost overruns, price escalations, and program slippages. Negotiation and monitoring of the contracts for the technical efforts that are key to our SIGINT success require top-level review. The Capabilities Programming and Budgeting (CPB) System provides some mechanisms to detect cost increases and performance problems; however, you should advise me of any emerging difficulties as early as possible, to permit a Community-wide effort to remedy any collection and processing problems. (C)

3. The House Permanent Select Committee on Intelligence (HPSCI), in the classified report for the FY 1984 authorization, urges that we slow manpower growth by establishing a comprehensive program evaluation process to scrutinize programs in order to reduce lower-priority efforts. It appears to me that proper manpower tradeoffs have been made and that real growth is needed for essential new efforts. In view of continuing HPSCI concerns, however, you should examine manpower needs for your FY 1984 and FY 1985 programs and work with the Intelligence Community Staff (ICS) in identifying tradeoffs, documenting the impact of these reductions for lower-priority efforts, and identifying and justifying any necessary personnel increases. (C)

4. Another area requiring top-level management attention in the Intelligence Community is the elimination of inefficiency, waste, and abuse. The protection of intelligence sources and methods requires that many of our activities be exempt from outside review. Accordingly, it is necessary that

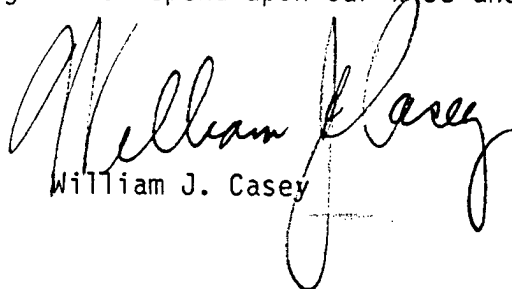
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SUBJECT: Review of Program for Control of Cost Growth and Elimination  
of Lower-Priority Tasks (C)

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William J. Casey

CONFIDENTIAL

DCI/ICS 83-3605

SUBJECT: Review of Program for Control of Cost Growth and  
Elimination of Lower-Priority Tasks (C)

25X1 DCI/ICS/PBS/[ ] 7/6/83)

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Orig. - Addressee, D/NSA

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25X1 1 - PBS subj. [ ]

1 - PBS (CCP Prog.Monitor)

1 - PBS chrono

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REL . . . -	This Information has been Authorized for Release to . . .

The Director of Central Intelligence

Washington, D.C. 20505

12 July 1983

25X1  
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MEMORANDUM FOR:

[redacted]  
Director, National Reconnaissance Office [redacted]

SUBJECT:

Review of Program for Control of Cost Growth and  
Elimination of Lower-Priority Tasks (C)

1. Congressional support of our mutual efforts to improve our foreign intelligence capabilities is critical to our continued success. This support has been excellent in recent years, but it is evident that we must do a better job in explaining how we identify and reduce or eliminate lower-priority tasks in order to pursue critical new initiatives. (U)

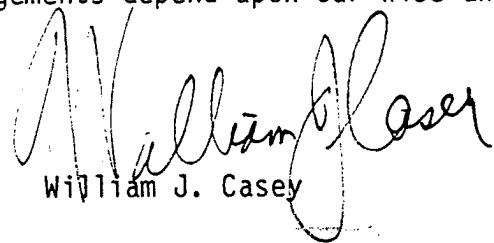
2. The funding outlook requires that we carefully manage both ongoing and new programs to ensure that we avoid cost overruns, price escalations, and program slippages. Negotiation and monitoring of the contracts for the technical efforts that are key to our overhead collection and processing systems require top-level review. The Capabilities Programming and Budgeting (CPB) System provides some mechanisms to detect cost increases and performance problems; however, you should advise me of any emerging difficulties as early as possible, to permit a Community-wide effort to remedy any collection and processing problems. (S)

3. The House Permanent Select Committee on Intelligence (HPSCI), in the classified report for the FY 1984 authorization, urges that we take note that serious questions have been raised by members of the Committee regarding the overall growth in intelligence activities. The FY 1985-1989 funding constraints that we are likely to face require that we demonstrate that we have firm control of costs and that lower-priority programs have been reduced or eliminated to make room for priority initiatives. (S)

4. Another area requiring top-level management attention in the Intelligence Community is the elimination of inefficiency, waste, and abuse. The protection of intelligence sources and methods requires that many of our activities be exempt from outside review. Accordingly, it is necessary that

SUBJECT: Review of Program for Control of Cost Growth and Elimination  
of Lower-Priority Tasks (C)

our internal review and management oversight be especially vigorous. A presidential task force, headed by Peter Grace, is examining ways to control costs and reduce federal spending. Although security requirements for sensitive intelligence operations preclude public examination, we must examine areas identified in efforts such as the Grace group to adapt economies to our activities where it is safe and profitable to do so. Travel approval, ADP controls, property utilization, and utilization of research and development are areas worthy of self-examination. Program Managers should be pursuing economy and efficiency objectives within departmental and agency procedures. The Intelligence Community Staff is charged with working with your staff in identifying steps that you are taking to ensure that Intelligence Community efforts in these areas are second to none in government. The continued availability of some unique intelligence arrangements depend upon our wise and judicious use of NFIP resources. (C)

  
William J. Casey

SUBJECT: Review of Program for Control of Cost Growth and  
Elimination of Lower-Priority Tasks (C)

25X1 DCI/ICS/PBS, [ ] 7/11/83)

Distribution:

Copy 1 - Addressee, NRO, Mr. Aldridge

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3 - DDCI (file in Exec.Registry)

4 - D/ICS

5 - PBS subj. [ ]

6 - PBS (NRP Prog.Monitor)

7 - PBS chrono

25X1 ⑧ - ICS Registry



12 July 1983

MEMORANDUM FOR: Mr. Charles A. Briggs  
Executive Director, Central Intelligence Agency

FROM: William J. Casey  
Director of Central Intelligence

SUBJECT: Review of Program for Control of Cost Growth and  
Elimination of Lower-Priority Tasks (C)

1. Congressional support of our mutual efforts to improve our foreign intelligence capabilities is critical to our continued success. This support has been excellent in recent years, but it is evident that we must do a better job in explaining how we identify and reduce or eliminate lower-priority tasks in order to pursue critical new initiatives. (U)

2. The funding outlook requires that we carefully manage both ongoing and new programs to ensure that we avoid cost overruns, price escalations, and program slippages. Negotiation and monitoring of the various contracts vital to CIA activities require top-level review. The Capabilities Programming and Budgeting (CPB) System provides some mechanisms to detect cost increases and performance problems; however, you should advise me of any emerging difficulties as early as possible, to permit a Community-wide effort to remedy any collection, processing, and analytical problems. (C)

3. The House Permanent Select Committee on Intelligence (HPSCI), in the classified report for the FY 1984 authorization, urges that we slow manpower growth by establishing a comprehensive program evaluation process to scrutinize programs in order to reduce lower-priority efforts. It appears to me that proper manpower tradeoffs have been made and that real growth is needed for essential new efforts. In view of continuing HPSCI concerns, however, you should examine CIAP manpower needs for FY 1984 and FY 1985 and work with the Intelligence Community Staff (ICS) in identifying tradeoffs, documenting the impact of these reductions for lower-priority efforts, and identifying and justifying any necessary personnel increases. (C)

4. Another area requiring top-level management attention in the Intelligence Community is the elimination of inefficiency, waste, and abuse. The protection of intelligence sources and methods requires that many of our activities be exempt from outside review. Accordingly, it is necessary that

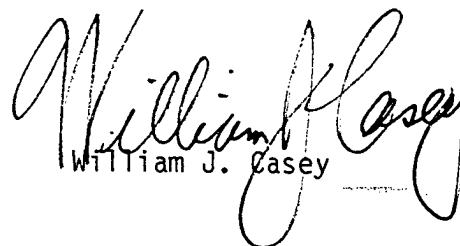
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CONFIDENTIAL

SUBJECT: Review of Program for Control of Cost Growth and Elimination  
of Lower-Priority Tasks (C)

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William J. Casey

CONFIDENTIAL

CONFIDENTIAL

DCI/ICS 83-3606

SUBJECT: Review of Program for Control of Cost Growth and  
Elimination of Lower-Priority Tasks (C)

25X1 DCI/ICS/PBS [redacted] 7/11/83)

Distribution:

Orig. - Addressee, CIAP, ExDir Briggs

1 - DCI

1 - DDCI (file in Exec.Registry)

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25X1 1 - PBS subj. [redacted]

1 - PBS (CIAP Prog.Monitor)

1 - PBS chrono

① - ICS Registry

CONFIDENTIAL

The Director of Central Intelligence

Washington, D. C. 20505

12 July 1983

MEMORANDUM FOR: Rear Admiral John L. Butts  
Director of Naval Intelligence

SUBJECT: Review of Program for Control of Cost Growth and  
Elimination of Lower-Priority Tasks (C)

1. Congressional support of our mutual efforts to improve our foreign intelligence capabilities is critical to our continued success. This support has been excellent in recent years, but it is evident that we must do a better job in explaining how we identify and reduce or eliminate lower-priority tasks in order to pursue critical new initiatives. (U)

2. The funding outlook requires that we carefully manage both ongoing and new programs to ensure that we avoid cost overruns, price escalations, and program slippages. Negotiation and monitoring of the contracts for the technical efforts that are key to the success [redacted] require top-level review. The Capabilities Programming and Budgeting (CPB) System provides some mechanisms to detect cost increases and performance problems; however, you should advise me of any emerging difficulties as early as possible, to permit a Community-wide effort to remedy any collection and processing problems. (C)

25X1

3. The House Permanent Select Committee on Intelligence (HPSCI), in the classified report for the FY 1984 authorization, urges that we slow NFIP manpower growth by establishing a comprehensive program evaluation process to scrutinize programs in order to reduce lower-priority efforts. It appears to me that proper manpower tradeoffs have been made and that real growth is needed for essential new NFIP efforts. In view of continuing HPSCI concerns, however, you should examine manpower needs to ensure proper utilization of requested personnel levels. (C)

4. Another area requiring top-level management attention in the Intelligence Community is the elimination of inefficiency, waste, and abuse. The protection of intelligence sources and methods requires that many of our activities be exempt from outside review. Accordingly, it is necessary that

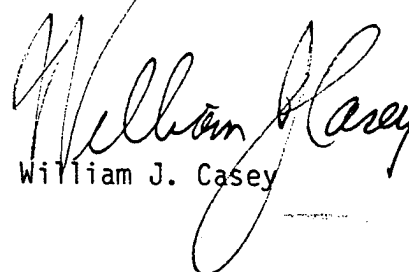
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SUBJECT: Review of Program for Control of Cost Growth and Elimination  
of Lower-Priority Tasks (C)

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William J. Casey

CONFIDENTIAL

DCI/ICS 83-3607

SUBJECT: Review of Program for Control of Cost Growth and  
Elimination of Lower-Priority Tasks (C)

25X1 DCI/ICS/PBS, [redacted] - 7/11/83)

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Orig. - Addressee, DNI, RADM Butts

1 - DCI

1 - DDCI (file in Exec.Registry)

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1 - PBS subj. [redacted]

1 - PBS [redacted]

1 - PBS chrono

1 - ICS Registry

25X1

CONFIDENTIAL

The Director of Central Intelligence

Washington, D.C. 20505

12 July 1983

MEMORANDUM FOR: Mr. John F. Donnelly  
Director, Counterintelligence and Investigative Programs  
Office of the Deputy Under Secretary  
for Policy Review

SUBJECT: Review of Program for Control of Cost Growth and  
Elimination of Lower-Priority Tasks (C)

1. Congressional support of our mutual efforts to improve our foreign intelligence capabilities is critical to our continued success. This support has been excellent in recent years, but it is evident that we must do a better job in explaining how we identify and reduce or eliminate lower-priority tasks in order to pursue critical new initiatives. (U)

2. The funding outlook requires that we carefully manage both ongoing and new programs to ensure that we avoid cost overruns, price escalations, and program slippages. The Capabilities Programming and Budgeting (CPB) System provides some mechanisms to detect cost increases and performance problems; however, you should advise me of any emerging difficulties as early as possible, to permit a Community-wide effort to remedy any counterintelligence problems. (C)

3. The House Permanent Select Committee on Intelligence (HPSCI), in the classified report for the FY 1984 authorization, urges that we slow manpower growth by establishing a comprehensive program evaluation process to scrutinize programs in order to reduce lower-priority efforts. It appears to me that proper manpower tradeoffs have been made and that real growth is needed for essential new efforts. In view of continuing HPSCI concerns, however, you should examine manpower needs for your FY 1984 and FY 1985 programs and work with the Intelligence Community Staff (ICS) in identifying tradeoffs, documenting the impact of these reductions for lower-priority efforts, and identifying and justifying any necessary personnel increases. (C)

4. Another area requiring top-level management attention in the Intelligence Community is the elimination of inefficiency, waste, and abuse. The protection of intelligence sources and methods requires that many of our activities be exempt from outside review. Accordingly, it is necessary that

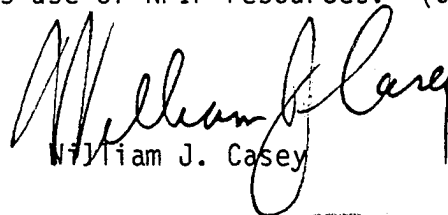
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CONFIDENTIAL

SUBJECT: Review of Program for Control of Cost Growth and Elimination  
of Lower-Priority Tasks (C)

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William J. Casey

CONFIDENTIAL



CONFIDENTIAL

DCI/ICS 83-3608

SUBJECT: Review of Program for Control of Cost Growth and  
Elimination of Lower-Priority Tasks (C)

25X1 DCI/ICS/PBS [redacted] 7/6/83)

Distribution:

Orig. - Addressee, DoD/FCI, Mr. Donnelly

1 - DCI

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1 - D/ICS

25X1 1 - PBS subj. [redacted]

1 - PBS (DoD/FCI Prog.Monitor)

1 - PBS chrono

① - ICS Registry

CONFIDENTIAL

The Director of Central Intelligence

Washington, D.C. 20505

12 July 1983

MEMORANDUM FOR: Mr. Hugh Montgomery  
Director of Intelligence and Research  
Department of State

SUBJECT: Review of Program for Control of Cost Growth and  
Elimination of Lower-Priority Tasks (C)

1. Congressional support of our mutual efforts to improve our foreign intelligence capabilities is critical to our continued success. This support has been excellent in recent years, but it is evident that we must do a better job in explaining how we identify and reduce or eliminate lower-priority tasks in order to pursue critical new initiatives. (U)

2. The funding outlook requires that we carefully manage both ongoing and new programs to ensure that we avoid cost overruns, price escalations, and program slippages. The Capabilities Programming and Budgeting (CPB) System provides some mechanisms to detect cost increases and performance problems; however, you should advise me of any emerging difficulties as early as possible, to permit a Community-wide effort to remedy any analytical and reporting problems. (C)

3. The House Permanent Select Committee on Intelligence (HPSCI), in the classified report for the FY 1984 authorization, urges that we slow manpower growth by establishing a comprehensive program evaluation process to scrutinize programs in order to reduce lower-priority efforts. It appears to me that proper manpower tradeoffs have been made and that real growth is needed for essential new efforts. In view of continuing HPSCI concerns, however, you should examine manpower needs for your FY 1984 and FY 1985 programs and work with the Intelligence Community Staff (ICS) in identifying tradeoffs, documenting the impact of these reductions for lower-priority efforts, and identifying and justifying any necessary personnel increases. (C)

4. Another area requiring top-level management attention in the Intelligence Community is the elimination of inefficiency, waste, and abuse. The protection of intelligence sources and methods requires that many of our activities be exempt from outside review. Accordingly, it is necessary that

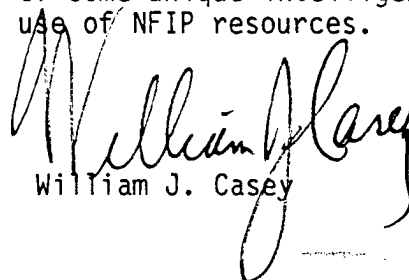
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CONFIDENTIAL

SUBJECT: Review of Program for Control of Cost Growth and Elimination  
of Lower-Priority Tasks (C)

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William J. Casey

CONFIDENTIAL

CONFIDENTIAL

DCI/ICS 83-3609

SUBJECT: Review of Program for Control of Cost Growth and  
Elimination of Lower-Priority Tasks (C)

25X1 DCI/ICS/PBS, [ ] - 7/11/83)

Distribution:

Orig. - Addressee, Dept. of State, Mr. Montgomery

1 - DCI

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1 - D/ICS

25X1 1 - PBS subj. [ ]

1 - PBS (Prog. Monitor)

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(1) - ICS Registry

CONFIDENTIAL

The Director of Central Intelligence

Washington, D. C. 20505

12 July 1983

MEMORANDUM FOR: Mr. Edward J. O'Malley  
Assistant Director, Intelligence Division  
Federal Bureau of Investigation

SUBJECT: Review of Program for Control of Cost Growth and  
Elimination of Lower-Priority Tasks (C)

1. Congressional support of our mutual efforts to improve our foreign intelligence capabilities is critical to our continued success. This support has been excellent in recent years, but it is evident that we must do a better job in explaining how we identify and reduce or eliminate lower-priority tasks in order to pursue critical new initiatives. (U)

2. The funding outlook requires that we carefully manage both ongoing and new programs to ensure that we avoid cost overruns, price escalations, and program slippages. The Capabilities Programming and Budgeting (CPB) System provides some mechanisms to detect cost increases and performance problems; however, you should advise me of any emerging difficulties as early as possible, to permit a Community-wide effort to remedy any counterintelligence problems. (C)

3. The House Permanent Select Committee on Intelligence (HPSCI), in the classified report for the FY 1984 authorization, urges that we slow manpower growth by establishing a comprehensive program evaluation process to scrutinize programs in order to reduce lower-priority efforts. It appears to me that proper manpower tradeoffs have been made and that real growth is needed for essential new efforts. In view of continuing HPSCI concerns, however, you should examine manpower needs for your FY 1984 and FY 1985 programs and work with the Intelligence Community Staff (ICS) in identifying tradeoffs, documenting the impact of these reductions for lower-priority efforts, and identifying and justifying any necessary personnel increases. (C)

4. Another area requiring top-level management attention in the Intelligence Community is the elimination of inefficiency, waste, and abuse. The protection of intelligence sources and methods requires that many of our activities be exempt from outside review. Accordingly, it is necessary that

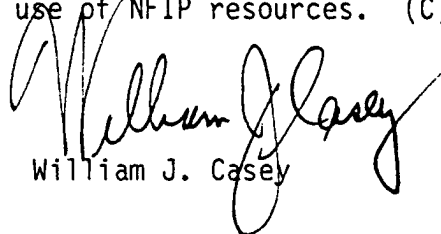
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CONFIDENTIAL

SUBJECT: Review of Program for Control of Cost Growth and Elimination  
of Lower-Priority Tasks (C)

our internal review and management oversight be especially vigorous. A presidential task force, headed by Peter Grace, is examining ways to control costs and reduce federal spending. Although security requirements for sensitive intelligence operations preclude public examination, we must examine areas identified in efforts such as the Grace group to adapt economies to our activities where it is safe and profitable to do so. Travel approval, ADP controls and property utilization are areas worthy of self-examination. Program Managers should be pursuing economy and efficiency objectives within departmental and agency procedures. The Intelligence Community Staff is charged with working with your staff in identifying steps that you are taking to ensure that Intelligence Community efforts in these areas are second to none in government. The continued availability of some unique intelligence arrangements depend upon our wise and judicious use of NFIP resources. (C)



William J. Casey

CONFIDENTIAL

DCI/ICS 83-3610

SUBJECT: Review of Program for Control of Cost Growth and  
Elimination of Lower-Priority Tasks (C)

25X1 DCI/ICS/PBS [ ] - 7/6/83)

Distribution:

Orig. - Addressee, FBI, Mr. O'Malley

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(1) - ICS Registry

CONFIDENTIAL

The Director of Central Intelligence

Washington, D. C. 20505

12 July 1983

MEMORANDUM FOR: Mr. Herman Roser  
Senior Intelligence Officer  
Department of Energy

SUBJECT: Review of Program for Control of Cost Growth and  
Elimination of Lower-Priority Tasks (C)

1. Congressional support of our mutual efforts to improve our foreign intelligence capabilities is critical to our continued success. This support has been excellent in recent years, but it is evident that we must do a better job in explaining how we identify and reduce or eliminate lower-priority tasks in order to pursue critical new initiatives. (U)

2. The funding outlook requires that we carefully manage both ongoing and new programs to ensure that we avoid cost overruns, price escalations, and program slippages. The Capabilities Programming and Budgeting (CPB) System provides some mechanisms to detect cost increases and performance problems; however, you should advise me of any emerging difficulties as early as possible, to permit a Community-wide effort to remedy any collection and processing problems. (C)

3. The House Permanent Select Committee on Intelligence (HPSCI), in the classified report for the FY 1984 authorization, urges that we slow manpower growth by establishing a comprehensive program evaluation process to scrutinize programs in order to reduce lower-priority efforts. It appears to me that proper manpower tradeoffs have been made and that real growth is needed for essential new efforts. In view of continuing HPSCI concerns, however, you should examine manpower needs for your FY 1984 and FY 1985 programs and work with the Intelligence Community Staff (ICS) in identifying tradeoffs, documenting the impact of these reductions for lower-priority efforts, and identifying and justifying any necessary personnel increases. (C)

4. Another area requiring top-level management attention in the Intelligence Community is the elimination of inefficiency, waste, and abuse. The protection of intelligence sources and methods requires that many of our activities be exempt from outside review. Accordingly, it is necessary that

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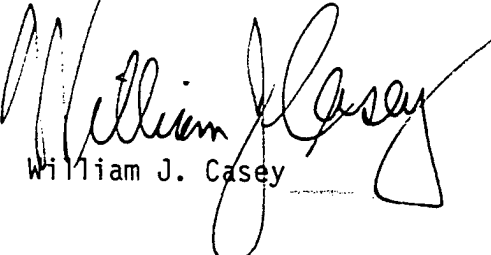


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SUBJECT: Review of Program for Control of Cost Growth and Elimination  
of Lower-Priority Tasks (C)

our internal review and management oversight be especially vigorous. A presidential task force, headed by Peter Grace, is examining ways to control costs and reduce federal spending. Although security requirements for sensitive intelligence operations preclude public examination, we must examine areas identified in efforts such as the Grace group to adapt economies to our activities where it is safe and profitable to do so. Travel approval, ADP controls, property utilization, and utilization of research and analysis are areas worthy of self-examination. Program Managers should be pursuing economy and efficiency objectives within departmental and agency procedures. The Intelligence Community Staff is charged with working with your staff in identifying steps that you are taking to ensure that Intelligence Community efforts in these areas are second to none in government. The continued availability of some unique intelligence arrangements depend upon our wise and judicious use of NFIP resources. (C)

  
William J. Casey

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DCI/ICS 83-3611

SUBJECT: Review of Program for Control of Cost Growth and  
Elimination of Lower-Priority Tasks (C)

25X1 DCI/ICS/PBS/[ ] - 7/6/83)

Distribution:

Orig. - Addressee, Dept.of Energy, Mr. Roser

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(1) - ICS Registry

CONFIDENTIAL

The Director of Central Intelligence

Washington, D.C. 20505

12 July 1983

MEMORANDUM FOR: Mr. Douglas P. Mulholland  
Special Assistant to the Secretary (National Security)  
Department of the Treasury

SUBJECT: Review of Program for Control of Cost Growth and  
Elimination of Lower-Priority Tasks (C)

1. Congressional support of our mutual efforts to improve our foreign intelligence capabilities is critical to our continued success. This support has been excellent in recent years, but it is evident that we must do a better job in explaining how we identify and reduce or eliminate lower-priority tasks in order to pursue critical new initiatives. (U)

2. The funding outlook requires that we carefully manage both ongoing and new programs to ensure that we avoid cost overruns, price escalations, and program slippages. The Capabilities Programming and Budgeting (CPB) System provides some mechanisms to detect cost increases and performance problems; however, you should advise me of any emerging difficulties as early as possible, to permit us to remedy any resource-related problems. (C)

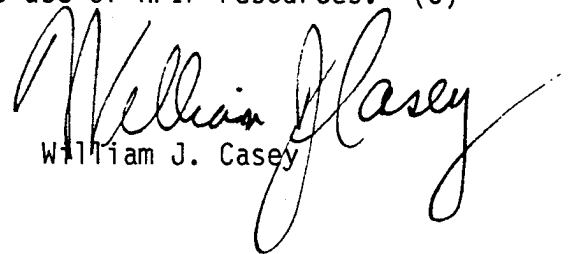
3. Another area requiring top-level management attention in the Intelligence Community is the elimination of inefficiency, waste, and abuse. The protection of intelligence sources and methods requires that many of our activities be exempt from outside review. Accordingly, it is necessary that our internal review and management oversight be especially vigorous. A presidential task force, headed by Peter Grace, is examining ways to control costs and reduce federal spending. Although security requirements for sensitive intelligence operations preclude public examination, we must examine areas identified in efforts such as the Grace group to adapt economies to our activities where it is safe and profitable to do so. Travel approval, ADP controls and property utilization are areas worthy of self-examination. Program Managers should be pursuing economy and efficiency objectives within

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SUBJECT: Review of Program for Control of Cost Growth and Elimination  
of Lower-Priority Tasks (C)

departmental and agency procedures. The Intelligence Community Staff is charged with working with your staff in identifying steps that you are taking to ensure that Intelligence Community efforts in these areas are second to none in government. The continued availability of some unique intelligence arrangements depend upon our wise and judicious use of NFIP resources. (C)

  
William J. Casey

CONFIDENTIAL

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DCI/ICS 83-3612

SUBJECT: Review of Program for Control of Cost Growth and  
Elimination of Lower-Priority Tasks (C)

25X1 DCI/ICS/PBS [redacted] 7/6/83)

Distribution:

Orig. - Addressee, Dept.Treas., Mr. Mulholland

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25X1 1 - PBS subj. [redacted]

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CONFIDENTIAL

12 July 1983

25X1 MEMORANDUM FOR:

Director, Intelligence Community Staff

FROM:

William J. Casey  
Director of Central Intelligence

SUBJECT:

Review of Program for Control of Cost Growth and  
Elimination of Lower-Priority Tasks (C)

1. Congressional support of our mutual efforts to improve our foreign intelligence capabilities is critical to our continued success. This support has been excellent in recent years, but it is evident that we must do a better job in explaining how we identify and reduce or eliminate lower-priority tasks in order to pursue critical new initiatives. (U)

2. The funding outlook requires that we carefully manage both ongoing and new programs to ensure that we avoid cost overruns, price escalations, and program slippages. The Capabilities Programming and Budgeting (CPB) System provides some mechanisms to detect cost increases and performance problems; however, you should advise me of any emerging difficulties as early as possible, to permit a Community-wide effort to remedy any resource-related problems. (C)

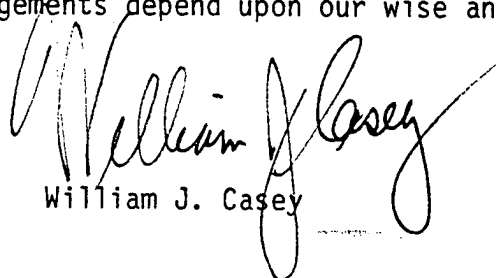
3. The House Permanent Select Committee on Intelligence (HPSCI), in the classified report for the FY 1984 authorization, urges that we slow manpower growth by establishing a comprehensive program evaluation process to scrutinize programs in order to reduce lower-priority efforts. It appears to me that proper manpower tradeoffs have been made and that real growth is needed for essential new efforts. In view of continuing HPSCI concerns, however, you should examine manpower needs for your FY 1984 and FY 1985 programs to identify tradeoffs, document the impact of these reductions for lower-priority efforts, and identify and justify any necessary personnel increases. (C)

4. Another area requiring top-level management attention in the Intelligence Community is the elimination of inefficiency, waste, and abuse. The protection of intelligence sources and methods requires that many of our activities be exempt from outside review. Accordingly, it is necessary that

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SUBJECT: Review of Program for Control of Cost Growth and Elimination  
of Lower-Priority Tasks (C)

our internal review and management oversight be especially vigorous. A presidential task force, headed by Peter Grace, is examining ways to control costs and reduce federal spending. Although security requirements for sensitive intelligence operations preclude public examination, we must examine areas identified in efforts such as the Grace group to adapt economies to our activities where it is safe and profitable to do so. Travel approval, ADP controls, property utilization, and utilization of research and development are areas worthy of self-examination. Program Managers should be pursuing economy and efficiency objectives within departmental and agency procedures. The Intelligence Community Staff is charged with working with the various Program Managers in identifying steps to ensure that Intelligence Community efforts in these areas are second to none in government. The continued availability of some unique intelligence arrangements depend upon our wise and judicious use of NFIP resources. (C)



William J. Casey

CONFIDENTIAL

DCI/ICS 83-3613

SUBJECT: Review of Program for Control of Cost Growth and  
Elimination of Lower-Priority Tasks (C)

25X1 DCI/ICS/PBS, [redacted] - 7/11/83)

25X1 Distribution:

Orig. - Addressee, ICS, [redacted]

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(1) - ICS Registry

CONFIDENTIAL



12 July 1983

MEMORANDUM FOR:



Director, National Intelligence Emergency Support Office

FROM:

William J. Casey  
Director of Central Intelligence

SUBJECT:

Review of Program for Control of Cost Growth and  
Elimination of Lower-Priority Tasks (C)

25X1

1. Congressional support of our mutual efforts to improve our foreign intelligence capabilities is critical to our continued success. This support has been excellent in recent years, but it is evident that we must do a better job in explaining how we identify and reduce or eliminate lower-priority tasks in order to pursue critical new initiatives. (U)

2. The funding outlook requires that we carefully manage both ongoing and new programs to ensure that we avoid cost overruns, price escalations, and program slippages. Negotiation and monitoring of the contracts for the efforts that are key to your program require top-level review. The Capabilities Programming and Budgeting (CPB) System provides some mechanisms to detect cost increases and performance problems; however, you should advise me of any emerging difficulties as early as possible, to permit a Community-wide effort to remedy any resource-related problems. (C)

3. The House Permanent Select Committee on Intelligence (HPSCI), in the classified report for the FY 1984 authorization, urges that we slow manpower growth by establishing a comprehensive program evaluation process to scrutinize programs in order to reduce lower-priority efforts. It appears to me that proper manpower tradeoffs have been made and that real growth is needed for essential new efforts. In view of continuing HPSCI concerns, however, you should examine manpower needs for your FY 1984 and FY 1985 programs to identify tradeoffs, document the impact of these reductions for lower-priority efforts, and identify and justify any necessary personnel increases. (C)

4. Another area requiring top-level management attention in the Intelligence Community is the elimination of inefficiency, waste, and abuse. The protection of intelligence sources and methods requires that many of our activities be exempt from outside review. Accordingly, it is necessary that

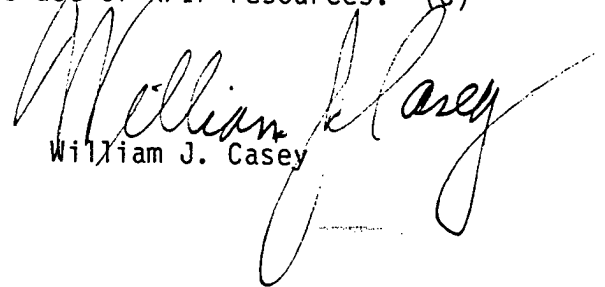


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SUBJECT: Review of Program for Control of Cost Growth and Elimination  
of Lower-Priority Tasks (C)

our internal review and management oversight be especially vigorous. A presidential task force, headed by Peter Grace, is examining ways to control costs and reduce federal spending. Although security requirements for sensitive intelligence operations preclude public examination, we must examine areas identified in efforts such as the Grace group to adapt economies to our activities where it is safe and profitable to do so. Travel approval, ADP controls, property utilization, and utilization of contractual assistance are areas worthy of self-examination. The Program and Budget Staff is charged with working with your staff in identifying steps that you are taking to ensure that Intelligence Community efforts in these areas are second to none in government. The continued availability of some unique intelligence arrangements depend upon our wise and judicious use of NFIP resources. (C)

  
William J. Casey

CONFIDENTIAL

DCI/ICS 83-3614

SUBJECT: Review of Program for Control of Cost Growth and  
Elimination of Lower-Priority Tasks (C)

25X1 DCI/ICS/PBS/[redacted] 7/11/83)

Distribution:

Orig. - Addressee, NIESO, [redacted]

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